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**BALK 1798**

**Balk 1798 Group Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1010)**

**COMPLETION OF PLACING OF NEW SHARES  
UNDER GENERAL MANDATE**

**Placing Agent**



**Leeds Securities Investment Limited**

Reference is made to the announcement of Balk 1798 Group Limited (the “**Company**”) dated 22 December 2023 (the “**Placing Announcement**”) in relation to the placing of up to 74,049,028 new Shares under the General Mandate. Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Placing Announcement.

## COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions precedent set out in the Placing Agreement had been fulfilled and completion of the Placing (“**Completion**”) took place on 17 January 2024 in accordance with the terms and conditions of the Placing Agreement. An aggregate of 74,049,028 Placing Shares, representing approximately 16.67% of the issued share capital of the Company as at the date of this announcement immediately after Completion, have been successfully placed to no less than six Placees at the Placing Price of HK\$0.56 per Placing Share.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Placees and where appropriate, their ultimate beneficial owner(s) is an independent third parties and is not connected with, or is not acting in concert with the Company and its connected persons. None of the Placees has or will become a substantial Shareholder (as defined under the Listing Rules) immediately upon Completion.

The net proceeds from the Placing, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) amounted to approximately HK\$40.0 million. As disclosed in the Placing Announcement, the Company intends to apply the net proceeds from the Placing for the purposes of general working capital of the Group and developing the Group’s businesses.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company immediately before and upon Completion is set out below:

	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
<b>Shareholders</b>				
Duan Hongtao ( <i>Note 1</i> )	56,867,012	15.36	56,867,012	12.80
Zhongying Int'l Holding Group Limited ( <i>Note 1</i> )	56,867,012	15.36	56,867,012	12.80
Arrab Chalid	68,500,000	18.50	68,500,000	15.42
LLOYDS INVESTMENT GROUP FZCO ( <i>Note 2</i> )	68,500,000	18.50	68,500,000	15.42
<b>Public Shareholders</b>				
The Places	–	–	74,049,028	16.67
Other public Shareholders	244,878,130	66.14	244,878,130	55.11
Total	<u>370,245,142</u>	<u>100.00</u>	<u>444,294,170</u>	<u>100.00</u>

*Notes:*

1. As at 10 November 2023, Mr. Duan Hongtao owned 99% of the issued shares of Zhongying Int'l Holding Group Limited which beneficially owned 56,867,102 shares of the Company.
2. On 15 September 2022, Zhongying Int'l Holding Group Limited transferred a total of 68,500,000 shares of the Company to LLOYDS INVESTMENT GROUP FZCO.

By order of the Board  
**Balk 1798 Group Limited**  
**Li Weina**  
*Executive Director*

Hong Kong, 17 January 2024

*As at the date of this announcement, the Board of the Company comprises six Directors. The executive Directors are Ms. Li Weina, Mr. Zhang Fumin and Dr. Zhang Yu; and the independent non-executive Directors are Ms. Ching Ching, Dr. Song Donglin and Dr. Zhang Shengdong.*

*The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*